

**U.S. Department of Justice
United States Attorney
Eastern District of Virginia**

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, Allan J. Doody, Special Agent-in-Charge for U.S. Immigration and Customs Enforcement (ICE) Washington, D.C., and Charles Pine, Special Agent-in-Charge for Internal Revenue Service Criminal Investigations Division (IRS-CID), today announced the arrest of a Virginia man, Rahim A. Bariiek, charged with operating an illegal money transmittal business that wired millions of dollars to overseas locations, including Iran, Pakistan, and areas in Afghanistan under the control of the Taliban between 2001 and 2002.

On April 12, 2005, a federal grand jury in Alexandria, Virginia, indicted Bariiek, the owner/operator of Bariiek Money Transfer, for operating an illegal money transmittal business.

Last night, ICE agents arrested Bariiek, a naturalized United States citizen from Afghanistan and a resident of Herndon, Virginia, pursuant to the indictment. Bariiek made his initial appearance before U.S. Magistrate Judge T. Rawls Jones today in the US District Court in Alexandria. An initial appearance will be scheduled for sometime next week. If convicted, he faces a maximum sentence of five years incarceration.

According to the indictment, Bariiek and his business received at least \$4.9 million in funds from individuals wishing to transfer money out of the United States from November 1, 2001, until on or about August 8, 2003. In furtherance of Bariiek's money transmitting business, the indictment alleges that those funds were deposited in five bank accounts controlled by Bariiek.

The indictment further alleges that Bariiek caused a total of approximately \$4.9 million to be transferred to individuals in various Middle East nations, including Afghanistan, Pakistan and Iran, without a money transmitting license from the Virginia State Corporation Commission as required by law.

On November 14, 2001, Bariiek testified before the U.S. Senate Committee on Banking, Housing and Urban Affairs, Subcommittee on International Trade and Finance, concerning 'hawalas' and underground terrorist financing mechanisms. Others testifying at the hearing were the Director of the Financial Crimes Enforcement Network (FinCEN) and the U.S. Customs Service Assistant Commissioner for Investigations.

Among other things, Bariiek told lawmakers, "I pay taxes on my hawala business and I comply with the law. I am happy to comply with the new federal law, which you wrote, and

to register and to file suspicious activity reports. I believe that all legitimate hawala will be happy to comply. It is upsetting to us that there are hawala used for illegal activity. They give all hawala a bad name."

One of Bariek's business / money transmitting associates, Rafiullah Habibi, the owner/operator of the Afghan Market in Alexandria, was indicted in September 2003 by a federal grand jury in Greenbelt, Maryland, for accepting or transmitting payments for an international heroin smuggling ring. The drug charges were later dropped, and in February 2005 Habibi pleaded guilty in federal court in Greenbelt to criminal charges of operating an illegal money service business.

Mr. McNulty stated: "Money is the life blood of terrorism and drug trafficking. Illegal money transmitters and money launderers provide the much needed vessels for moving money for criminal purposes. An effect terrorism prevention strategy requires an energetic attack on this problem."

Mr. Doody said, "It is interesting to note that this man testified before the U.S. Senate on how to comply with federal laws governing `hawalas.' Today's case suggests he didn't take his own advice. The threat posed by unlicensed hawalas and money transmittal businesses is serious – as any criminal or terrorist can use these firms to move funds anywhere in the world with no questions asked."

Mr. Pine stated: "The use of unlicensed money transfer businesses or 'Hawalas' is an emerging area for law enforcement because of its potential use by money launderers and terrorists. This investigation showcases the cooperation among law enforcement for the common goal of national security."

This case is being investigated by US Immigration and Customs Enforcement and Internal Revenue Service Criminal Investigations Division, and prosecuted for the United States by Assistant United States Attorney David Laufman.

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